

## Message Text

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PAGE 01 BUDAPE 01918 120803Z  
ACTION STR-07

INFO OCT-01 EUR-12 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01  
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10  
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00  
AID-05 SS-15 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02  
OMB-01 DOE-15 JUSE-00 XMB-02 OPIC-03 /131 W  
-----079177 121428Z /43

R 120714Z MAY 78  
FM AMEMBASSY BUDAPEST  
TO SECSTATE WASHDC 1439  
USMISSION GENEVA  
INFO: RUFHBS/AMEMBASSY BRUSSELS 357

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USMTN, USEEC

E.O.11652: N/A  
TAGS: EEWT, MTN, HU  
SUBJECT: HUNGARIAN-U.S. DISCUSSIONS ON MTN

REF: A) GENEVA 05689, B) BUDAPEST 1758 (NOTAL)

1. IN CONVERSATION WITH EMBASSY ECONOFF, HUNGARIAN TRADE  
NEGOTIATOR JANOS NYERGES VOLUNTEERED HIS APPRECIATION FOR  
RECENT LETTER FROM DAS BARRACLOUGH CONVEYING COPY OF ITC  
DECISION ON COTTON WORK GLOVES AND SHARING VIEWS ON OTHER  
ECONOMIC ISSUES.

2. NYERGES SAID THAT HE IS ESPECIALLY ANXIOUS TO DISCUSS  
EC REQUEST FOR SECTORAL IMPORT COMMITMENTS (SIC) WITH  
CULBERT. HE WILL BE IN GENEVA MAY 18-19. NYERGES STRESSED  
THAT HUNGARY IS STRONGLY OPPOSED TO SECTORAL COMMITMENT  
PROPOSAL AND WOULD LIKE TO COORDINATE RESPONSE WITH U.S.

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3. COMMENT: EMBASSY HAS BEEN FOLLOWING WITH CONCERN  
REPORTS OF EC SECTORAL IMPORT PROPOSALS (REFTEL A AND  
PREVIOUS). CONCEPT APPEARS POORLY SUITED TO HUNGARY'S  
RELATIVELY (FOR EASTERN EUROPE) DECENTRALIZED FOREIGN  
TRADE SYSTEM, AND IS ESPECIALLY UNFORTUNATE AT TIME  
WHEN GOH ACTIVELY CONSIDERING FURTHER REFORMS WHICH  
WOULD INCREASE THE ROLE OF PRICES IN THE RATIONALIZA-

TION OF THE HUNGARIAN ECONOMIC STRUCTURE (REFTEL B).  
WE SEE NO RPT NO PROSPECT THAT SECTORAL COMMITMENTS WOULD  
INCREASE TOTAL HUNGARIAN IMPORTS FROM THE WEST, WHICH  
ARE CONSTRAINED BY HUNGARY'S LIMITED ABILITY TO GENERATE  
HARD CURRENCY; A SINCERE EFFORT TO IMPLEMENT SECTORAL  
COMMITMENTS WOULD REQUIRE INCREASED CENTRAL DIRECTION OF  
FOREIGN TRADE AND WOULD ONLY DISTORT THE COMMODITY  
COMPOSITION OF IMPORTS. THERE IS ALSO A DISTINCT DANGER  
THAT SIC'S -- EVEN IF ON A GATT WIDE BASIS -- WOULD  
TEND TO FIX TRADING PATTERNS IN SUCH A WAY AS TO LIMIT  
THE EXPECTED TRADE GAINS WHICH THE U.S. SHOULD REAP FROM  
THE U.S.-HUNGARIAN TRADE AGREEMENT. THE EMBASSY HOPES  
THAT THE U.S. WILL CONTINUE TOSOEPOSE SECTORAL IMPORT  
COMMITMENTS IN THE MTN. END COMMENT.  
WILGIS

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE, TEXTILES, INTERGOVERNMENTAL COOPERATION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 may 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978BUDAPE01918  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780202-0439  
**Format:** TEL  
**From:** BUDAPEST  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1978/newtext/t19780566/aaaacdt.tel  
**Line Count:** 77  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** ebe416a0-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION STR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 GENEVA 5689, 78 BUDAPEST 1758  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2711734  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** HUNGARIAN-U.S. DISCUSSIONS ON MTN  
**TAGS:** EEWT, HU, MTN, (NYERGES, JANOS), (BARRACLOUGH, DAS)  
**To:** STATE GENEVA  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/ebe416a0-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014